

Information Services Client Meeting

Stuttgart

1 December 1992

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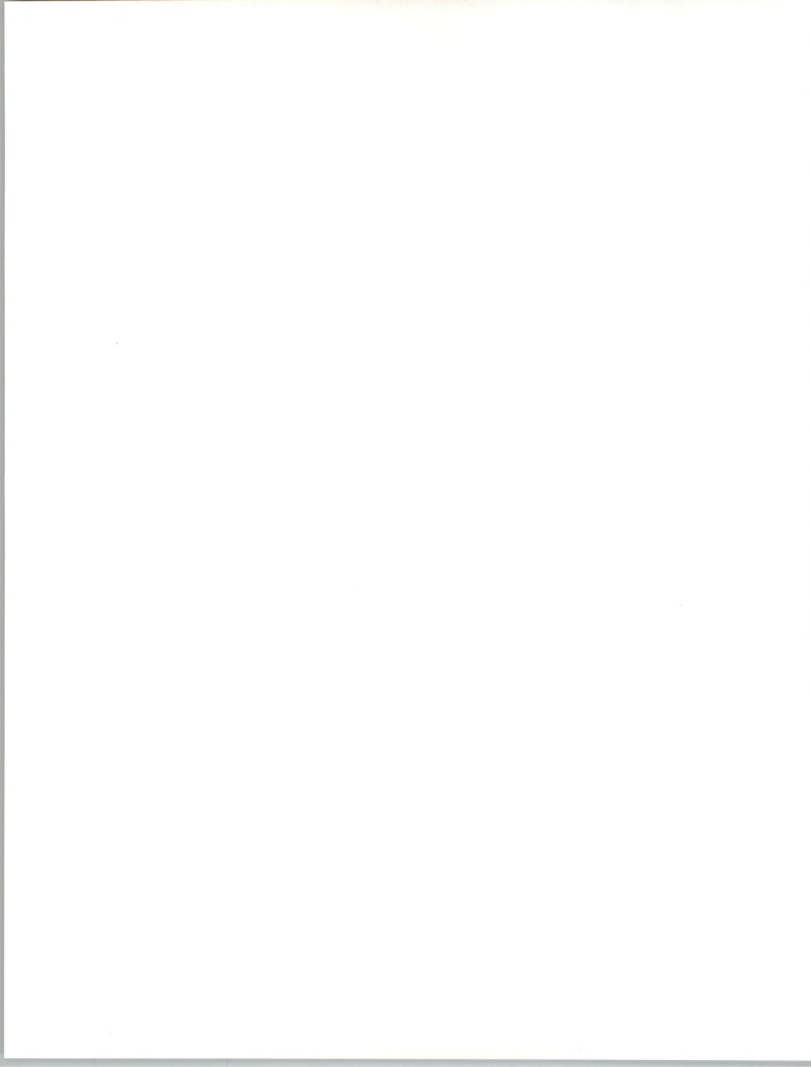
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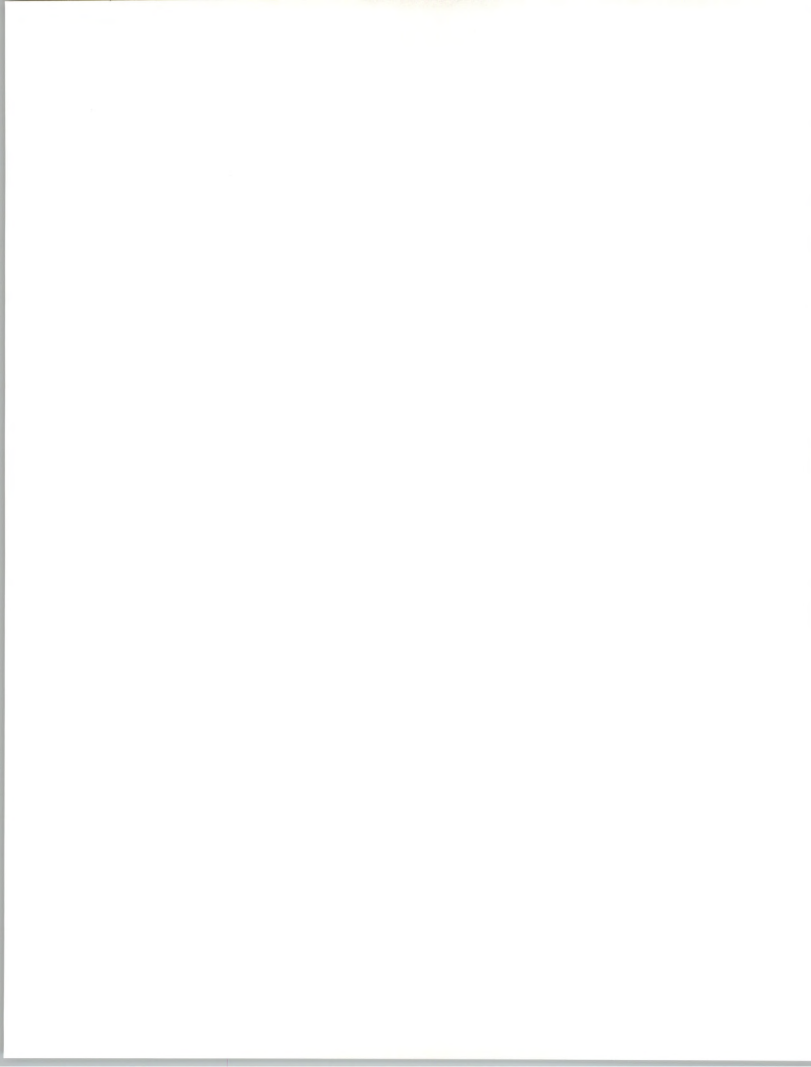
***Information Services Client Meeting—
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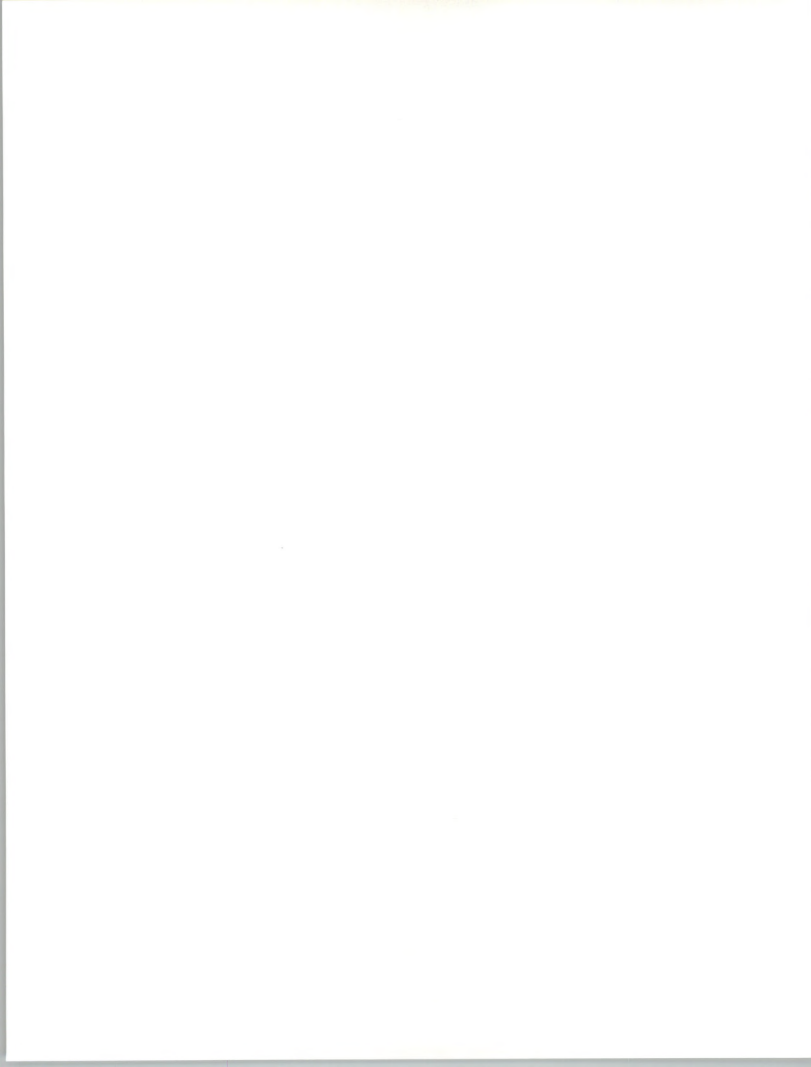
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Tidal Wave of Change

Roger Fulton
Consultant
INPUT



Europe

Software and Services

Workshop Agenda

- New end-user demands
- Fierce competitive pressure
- Lower market forecasts
- Challenge to professional services

E-MS-10

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Notes



Software and Services, Europe

Key Industry Trends

- Projects downsized
- Outsourcing satisfies
- Price pressure on services
- Pan-European support
- Desktop entrants

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E-IS-17

Notes

the 1990s, the number of people in the UK who are employed in the public sector has increased by 1.5 million, from 2.5 million in 1980 to 4 million in 1995 (Department of Health 1996).

There is a growing emphasis on the need to improve the quality of care in the public sector. The Department of Health (1996) has set out a number of key objectives for the public sector, including the need to improve the quality of care, to reduce waiting times, to improve the efficiency of the system, and to improve the financial performance of the system. The Department of Health (1996) has also set out a number of key principles for the public sector, including the need to be patient-centred, to be transparent, to be accountable, and to be efficient.

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Europe

Software and Services

Key user demands

- Value for money
- Cost reduction
- Effectiveness

E-IS-43

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Notes



Europe

Software and Services

Getting value for money from IT

- User ownership
- Benefits to business
- Productivity improvement
- Essential to infrastructure

E-IS-44

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Europe

Software and Services

Seeking cost reduction for IT

- Downsizing
- Outsourcing
- 80% solutions

E-IS-45

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Notes



Europe

Software and Services

Improving effectiveness from IT

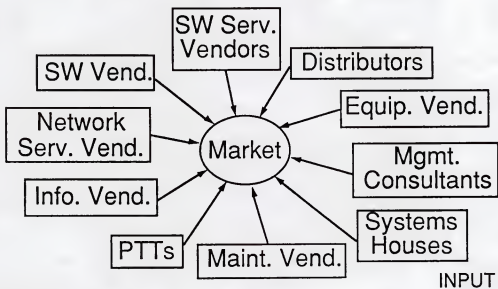
- Business process re-engineering
- Simplification
- Speed of implementation
- Flexibility

E-IS-46

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Notes

Increasing Competition



E-IS-30

Notes

the 1990s, the number of people in the UK who are aged 65 and over has increased from 10.5 million to 12.5 million, and the number of people aged 75 and over from 4.5 million to 6.5 million (Office of National Statistics 2000).

There is a growing awareness of the need to address the needs of older people in the community. The Department of Health (1999) has published a strategy for older people, which sets out the government's commitment to older people and the actions that will be taken to improve their lives. The strategy is based on the following principles:

- Older people should be able to live independently and actively in the community.
- Older people should be able to access the services and facilities they need.
- Older people should be able to participate in the decisions that affect their lives.
- Older people should be able to live in a safe and secure environment.

The strategy also sets out a number of key objectives, including:

- To improve the health and well-being of older people.
- To improve the housing and living conditions of older people.
- To improve the transport and travel facilities for older people.
- To improve the social and cultural life of older people.

The strategy is a key document in the development of policy for older people in the UK. It provides a framework for the development of services and facilities for older people, and sets out the actions that will be taken to improve their lives.

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Software and Services—Europe, 1991

Changing Market Shares

Vendor's Main Business	Percent		
	1981	1991	2001
Software Products	9	13	16
Equipment Products	39	35	40
Processing/Networks	31	5	7

E-IS-47

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Notes



Software and Services—Europe, 1991

Changing Market Shares

Vendor's Main Business	Percent		
	1981	1991	2001
Independent Services	18	40	27
Management Consultancy	3	7	10

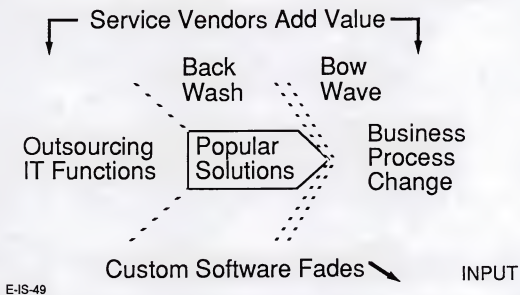
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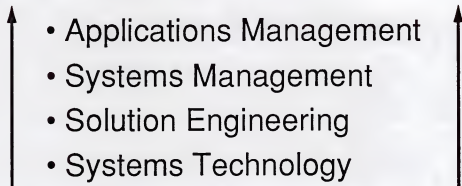


The Tidal Wave of Change



Notes

Vendor-Added Value

- 
- Applications Management
 - Systems Management
 - Solution Engineering
 - Systems Technology

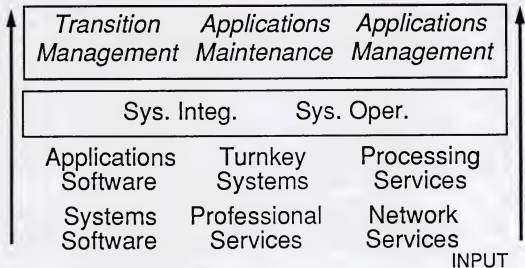
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Product and Service Trends

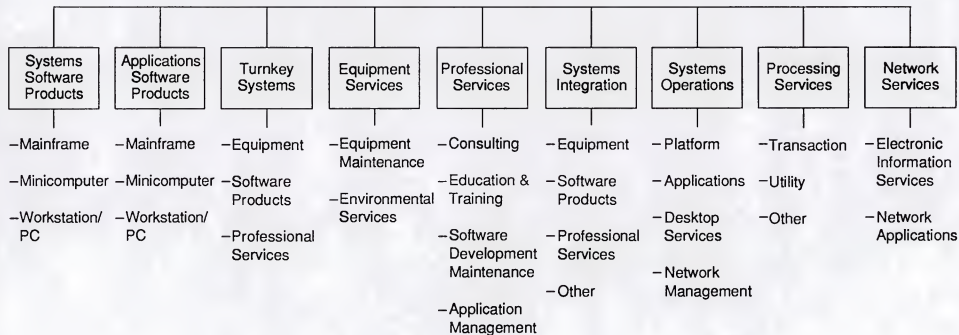


E-IS-20

Notes



Information Services Industry Structure



Source: INPUT

Software and Services, Europe

Average Growth in Spending



E-IS-50

Notes

(a)

Europe

Delivery Mode Issues

- Turnkey systems—Impacted by downsizing and open systems margins
- Applications software products—Smaller systems dominate
- Systems software products—Prices under pressure

E-IS-25

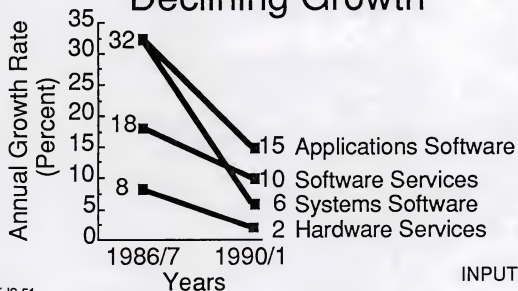
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Notes



Software and Services, Europe

Declining Growth



E-IS-51

Notes

the 1990s, the number of people with a mental health problem has increased by 50% (Mental Health Foundation 2000). The prevalence of mental health problems in the UK is estimated to be 10% (Mental Health Foundation 2000).

There is a growing awareness of the need to address the needs of people with mental health problems. The UK government has set out a strategy for mental health care (Department of Health 1999). This strategy aims to improve the lives of people with mental health problems by providing them with the best possible care and support. The strategy also aims to reduce the stigma and discrimination that people with mental health problems often experience.

One of the key challenges in mental health care is how to provide care and support in a way that is effective and sustainable. This challenge is particularly acute in the case of people with severe mental health problems, who often require long-term care and support. The UK government has set out a strategy for mental health care (Department of Health 1999). This strategy aims to improve the lives of people with mental health problems by providing them with the best possible care and support.

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Europe

Delivery Mode Issues

- Network services—High-growth opportunities
- Systems operations—Renewed satisfaction, desktop entrants
- Systems integration—Project downsizing for fast payback

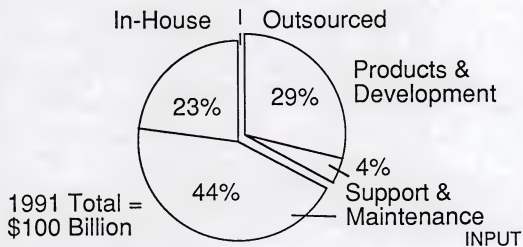
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E-IS-27

Notes



European User Software Budgets



Notes



Europe

Delivery Mode Issues

- Professional services—
Competition up, growth down
- Processing services—Specialized
applications drive development
- Equipment services—Multivendor
and environmental services grow

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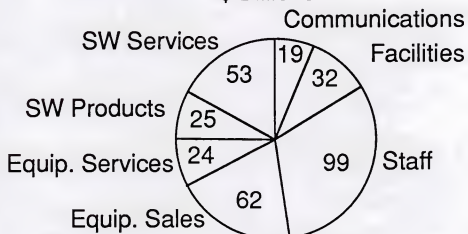
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Notes



IT Spending—Europe, 1992

\$ Billions



E-IS-53

Total: 315, CAGR 5%

INPUT

Notes



IT Spending—Europe, 1992

	CAGR (%)	
Communications	8	
Facilities	1	
Staff	3	
Equipment Sales	2	
Equipment Services	3	
Software Products	11	
Software Services	11	INPUT

E-IS-54

Notes

the 1990s, the number of people in the UK who are employed in the public sector has increased by 1.5 million, from 2.5 million in 1980 to 4 million in 1995 (Department of Health 1996).

There is a growing emphasis on the need to improve the efficiency of the public sector, and to ensure that the public sector is able to deliver the services that are required by the public. This has led to a number of initiatives, including the introduction of competition, the restructuring of public sector organisations, and the introduction of new management practices. These initiatives have led to a number of changes in the way that the public sector operates, and have led to a number of improvements in the efficiency of the public sector.

One of the key challenges facing the public sector is the need to improve the efficiency of the public sector. This is a challenge that is being met by a number of initiatives, including the introduction of competition, the restructuring of public sector organisations, and the introduction of new management practices. These initiatives have led to a number of changes in the way that the public sector operates, and have led to a number of improvements in the efficiency of the public sector.

Another key challenge facing the public sector is the need to ensure that the public sector is able to deliver the services that are required by the public. This is a challenge that is being met by a number of initiatives, including the introduction of competition, the restructuring of public sector organisations, and the introduction of new management practices. These initiatives have led to a number of changes in the way that the public sector operates, and have led to a number of improvements in the efficiency of the public sector.

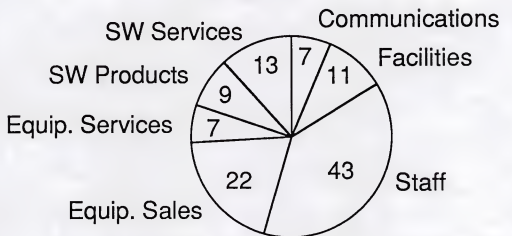
A third key challenge facing the public sector is the need to improve the quality of the services that are provided by the public sector. This is a challenge that is being met by a number of initiatives, including the introduction of competition, the restructuring of public sector organisations, and the introduction of new management practices. These initiatives have led to a number of changes in the way that the public sector operates, and have led to a number of improvements in the efficiency of the public sector.

Finally, a fourth key challenge facing the public sector is the need to ensure that the public sector is able to deliver the services that are required by the public. This is a challenge that is being met by a number of initiatives, including the introduction of competition, the restructuring of public sector organisations, and the introduction of new management practices. These initiatives have led to a number of changes in the way that the public sector operates, and have led to a number of improvements in the efficiency of the public sector.

In conclusion, the public sector is facing a number of challenges, including the need to improve the efficiency of the public sector, the need to ensure that the public sector is able to deliver the services that are required by the public, the need to improve the quality of the services that are provided by the public sector, and the need to ensure that the public sector is able to deliver the services that are required by the public. These challenges are being met by a number of initiatives, including the introduction of competition, the restructuring of public sector organisations, and the introduction of new management practices. These initiatives have led to a number of changes in the way that the public sector operates, and have led to a number of improvements in the efficiency of the public sector.

IT Spending—Germany, 1992

DM Billions



E-IS-61

Total: 112, CAGR 7%

INPUT

Notes



IT Spending—Germany, 1992

	CAGR (%)	
Communications	9	
Facilities	1	
Staff	6	
Equipment Sales	4	
Equipment Services	2	
Software Products	13	
Software Services	13	INPUT

E-IS-62

Notes

the 1990s, the number of people with a diagnosis of schizophrenia has increased in the United Kingdom (Meltzer 1997). The prevalence of schizophrenia in the United Kingdom is estimated to be 1.2% (Meltzer 1997). The prevalence of schizophrenia in the United States is estimated to be 1.1% (Meltzer 1997). The prevalence of schizophrenia in the United States is estimated to be 1.1% (Meltzer 1997).

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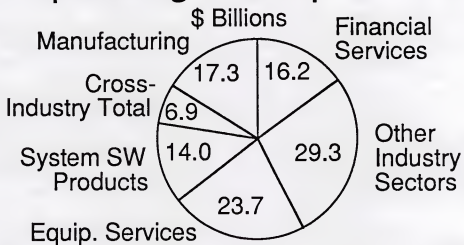
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Information Services Spending—Europe, 1992



E-IS-57

Total: 110, CAGR 9%

INPUT

Notes

10/14/92



Information Services Spending—Europe, 1992

	CAGR (%)
Manufacturing	11
Financial Services	11
Other Industry Sectors	11
Equipment Services	3
System Software Products	7
Cross-Industry Total	12

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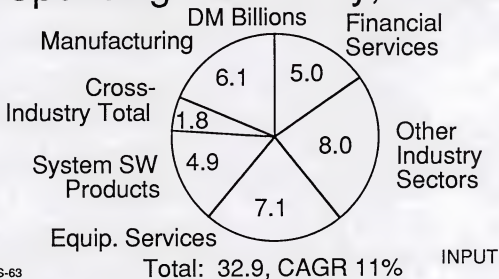
E-IS-58

Notes

10/14/92



Information Services Spending—Germany, 1992



Notes

Information Services Spending—Germany, 1992

	CAGR (%)	
Manufacturing	13	
Financial Services	14	
Other Industry Sectors	14	
Equipment Services	2	
System Software Products	8	
Cross-Industry Total	14	INPUT

E-IS-64

Notes



Software and Services Forecast, 1992-1997 Europe

11% CAGR
... and falling

E-IS-31

INPUT

Notes







Tidal Wave of Change

Roger Fulton
Consultant

